Saskatchewan Milk Control Board Update

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CHAIRMAN'S MESSAGE – BLAINE McLEOD

As I sit to write this first message as the newly appointed chairman, I first want to thank our previous board for their hard and diligent work in guiding the industry in the preceding years. Your efforts were often overlooked and mostly under appreciated. On behalf of the industry may I say thank you for your committed representation of Saskatchewan at the national and provincial level. I believe that you have begun a process of open consultation with the producers in Saskatchewan and I trust we will be able to build on that foundation.

There are many issues that we will have to face and deal with in the coming months. There will be a period of adjustment as your new board seeks to familiarize ourselves with the complex and demanding challenges that we face. As producers we all know that the way in which we operate within the supply managed system has changed substantially in a very short time period. No one ever really enjoys change but like it or not we must embrace the changes and seek to manage them on our own individual farms and collectively as a province. My commitment is to be open, honest, and fair in all the decisions that we will be asked to be involved in. The support of all producers is what we will strive for and my hope is that we will be able to build consensus on each of the issues that we face as an industry. I look forward to the opportunity to meet with many of you as we enter into the fall round of producer meetings. Please make it a priority to get out and be informed and to let your voice be heard.

Many of you may know me but just as many will not know who I am. I would like to take the opportunity to introduce myself and to give you a short biography. My name is Blaine McLeod and I operate a dairy and beef operation at Caronport, SK. My wife Marlie and I have been married for almost 27 years and have been blessed with 3 children; Michael and his wife Chelsea, Mark, and Jessica. All are grown and moved from home and are in various stages of career and education. In past years I have been involved with different boards in the dairy industry and have enjoyed the challenges that each involvement has brought. I believe that the dairy industry is well positioned to face the challenges that are in front of us but we must continue to work in harmony with all our partners to successfully move forward.

I would also like to welcome the other newly appointed Members to the Board. These individuals are Dale Strudwick, a Dairy Producer from near Balgonie, Alvin Schultz, a Dairy Producer near Dalmeny, and Bob Tyler, a Professor at the College of Agriculture and Bioresources at the University of Saskatchewan.

I trust that good harvesting weather will replace the rainy conditions that much of the province has been experiencing and that we will all be able to complete the fall work that never seems to end.

QUOTA EXCHANGE

The third Quota Exchange for the 2008-2009 dairy year was conducted on September 15, 2008. The market-clearing price established for the Unused Quota Exchange was **$46.00**. There was no Used Quota Exchange. The results of the September 2008 Unused Quota Exchange are outlined in the following Table.

The next monthly Quota Exchange for the 2008-2009 dairy year will be held on October 15, 2008. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, October 6, 2008. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary. Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. **The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.**

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$46.00**
Kilograms offered to Purchase	**2,000**
Kilograms offered to Sell	**63,115**
Kilograms sold	**1,336**
Number of Producers	
- offered to purchase	**2**
- purchased quota	**2**
- offered to sell	**24**
- sold quota	**5**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
30.00	1	1	886	886	-1,114	2,000	0	2	0
35.00	1	2	207	1,093	-907	2,000	0	2	0
40.00	1	3	30	1,123	-877	2,000	0	2	0
43.00	1	4	185	1,308	-692	2,000	0	2	0
45.00	1	5	28	1,336	-664	2,000	0	2	0
46.00	**0**	**5**	**0**	**1,336**	**-664**	**2,000**	**1,000**	**2**	**1**
48.00	1	6	1,274	2,610	1,610	1,000	0	1	0
49.00	1	7	5,000	7,610	6,610	1,000	0	1	0
49.50	1	8	427	8,037	7,037	1,000	0	1	0
50.00	4	12	2,243	10,280	9,280	1,000	1,000	1	1
51.00	1	13	247	10,527	10,527	0	0	0	0
54.95	1	14	123	10,650	10,650	0	0	0	0
55.00	4	18	35,128	45,778	45,778	0	0	0	0
60.00	6	24	16,341	62,119	62,119	0	0	0	0
70.00	1	25	1,000	63,119	63,119	0	0	0	0

BUTTERFAT PRODUCTION & COMPONENT PRICING August 2008

Butterfat production for August 2008 totalled approximately 714,566 kilograms. This was an increase of approximately 7.2% over August, 2007 shipments. **Saskatchewan's allocation of Total Production Quota for August totalled approximately 711,547 kilograms. In August, the province shipped 100.42% of that amount.** Comparatively, for the same time frame in the 2007-2008 dairy year, the province shipped 92.57%.

WEIGHTED AVERAGE COMPONENT TESTS & PRICES August 2008

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.6457	$11.067621
Protein	3.2523	$ 8.067610
Other Solids	5.6981	$ 1.151178

Based on the average component tests for the province, the average price received was $73.1472 per hectolitre. **The average butterfat price received per kilogram was $20.06.** Over quota (4m) holdings are $414,787.95 for August, the first month of the 2008-2009 dairy year.

SASKATCHEWAN MILK POOL RESULTS August 2008

Milk Sale Revenue	$ 13,704,557.24
Western Milk Pool	$ 708,196.70
Dairy Farmers of Canada Skim Off	$ -19,057.34
Plant of Last Resort Service	$ -56,748.59
Total Pool Value	**$ 14,336,948.01**

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for August, 2008. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments. If you have any questions, please contact our office.

ADDITIONS TO THE 2008-2009 DAIRY YEAR QUOTA MANAGEMENT TABLE

A column with the numbers 1 though 5 has been added to the monthly quota management sheet for the new dairy year. Listed below is an explanation as to what the increases and decreases mean and how they will impact what the individual producer is required to fill for January 31st and July 31st to achieve 97%.

1. Unallocated quota from the 2008-2009 dairy year.
2. Temporary quota increase to encourage fall production. This increase **will not** be part of the January 31 or July 31 97% production requirement.
3. Estimated deemed Class 1 butterfat. This increase **will** be part of the January 31 and July 31 97% production requirement.
4. National Growth Allowance. This **will** be part of the January 31 and July 31 97% production requirement.

5. Carry forward of quota from the previous dairy year that Saskatchewan did not fill. Saskatchewan was permitted to carry forward 0.5% of last year's quota that was not filled. This **will** be part of the January 31 and July 31 97% production requirement.

ACCOUNTING VALUES FOR CLASSES OF MILK September 2008

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$66.29	
Class 1b	$5.3000	$66.29	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.4482	$5.5744	$5.5744
Class 3a	$7.4482	$13.0375	$0.8684
Class 3b	$7.4482	$12.7848	$0.8524
Class 4a, 4b, 4d & 4d(i)	$7.4482	$5.1760	$5.1760
Class 4a(i)	$7.3088	$2.8000	$2.8000
Class 4c	**As approved by the Board**		
Class 4m	$0.00	$0.00	$0.00
Class 5a	$3.7450	$8.4445	$0.1628
Class 5b	$3.7450	$2.7590	$2.7590
Class 5c	$4.1133	$2.7590	$2.7590
Class 5d	**As determined by**	**the CDC**	

MILK CONTROL BOARD/DAIRY FARMERS OF SASKATCHEWAN PRODUCER MEETINGS

The Board and Dairy Farmers of Saskatchewan are pleased to announce that they will once again hold the next session of producer meetings as a joint effort. Please plan to attend. An agenda will be sent to producers with the October newsletter. The schedule of meetings will be as follows:

Date	Time	District	Location
Monday October 27	9:30 a.m.	Swift Current	F.O.A. Eagles 1910 Service Rd. W, Swift Current
Tuesday, October 28	9:30 a.m.	Yorkton	St. Mary's Parish, Ukrainian Catholic Cultural Center 240 Wellington St. Yorkton
Wednesday, October 29	9:30 a.m.	Odessa	Odessa Hall, Odessa
Thursday October 30	9:30 a.m.	Melfort	Travelodge 101 Spruce Haven Rd., Melfort
Friday, October 31	9:00 a.m.	Saskatoon	Saskatoon Inn 2002 Airport Drive, Saskatoon

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, miscellaneous dairy equipment, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Swap in Quota

Darcy Loewen would like to swap in quota for the 2008-2009 dairy year. Contact him at (306) 493-8201.

Swap out Quota

Jim Gorrill would like to swap out unused quota. Contact him at (306) 725-4828.

Quota &/or Cows for Sale

- 10 milk cows; 10 heifers due December and January; 10 open heifers 15-18 months of age. Contact Chad at (306) 598-2054
- Dwayne Ens has quota for sale. Call (306) 225-2152.
- Quota for sale. Contact Elmer or Elsie Gerbrandt @ (306) 773-5618
- Cows and quota for sale. Contact Ashley Duff @ (306) 783-6896
- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.
- Quota for sale. Contact Kevin at (306) 549-2129.
- Approximately 24,000 kilograms of butterfat. Holstein cows, heifers, calves and bulls. Take possession August 1, 2008. Contact Clara Ollenberger at (306) 753-2747 or cell phone (306) 753-7767.
- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.
- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980
- Quota for sale – contact Fred or Anne Monchuk at (306) 365-4750.
- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997

- Lloyetta Holsteins have sold their cows and quota November 2007. We have kept our home bred heifers and have purchased some quality heifers. Many heifers have deep pedigrees from popular bulls such as Goldwyn, Final Cut, Sept. Storm, FBI, Titanic, Jasper and others. We also have some very nice Grade heifers due in early 2008. We have a total of 100 heifers and feel we can meet your cattle needs. The heifers will start calving in January 2008 and we will have springing heifers thru 2008 and 2009. We have breeding age bulls and younger for sale, most from VG dams with high production. Call Lloyd & Loretta Sawatzky, Box 58, RR #4, Saskatoon at (306) 239-4818 or Cell (306) 281-2247.

Miscellaneous For Sale

- 80 pieces of rubber flooring for sale $1000 Contact George @ Wheatland Colony (306) 587-2458 Ext. 109

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

- Dairy equipment for sale: Knight TMR mixer, Agrimetal silage cart with 5.5 hp Honda gas motor, 2 belt conveyors, 1000 gallon Delaval bulk tank with 2 compressors and new auto wash, 2" stainless steel pipeline. Heifers for sale: 12 registered good pedigreed Holstein heifers due September and October. One registered Jersey heifer due September. Contact Lloyd Sawatzky (306) 239-4818

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK

- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

MILK CONTROL BOARD MEMBERS

Blaine McLeod - Chairman	Phone – (306) 756-2775
Dale Strudwick – Vice-Chair	Dairy producer
Alvin Schultz - member	Dairy producer
Dr. Bob Tyler	Professor – Dept. of Food & Bioproduct Services, University of Saskatchewan, Saskatoon

For further information, please contact the Saskatchewan Milk Control Board office.

1210-2500 Victoria Avenue Telephone (306) 787-5319
Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988

Website: www.smcb.ca email: info@smcb.ca